

Committee on the Budget in the House of Representatives: Structure and Responsibilities

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Summary

The basic framework that is used today for congressional consideration of budget policy was established in the Congressional Budget and Impoundment Control Act of 1974. This act provides for the annual adoption of a concurrent resolution on the budget as a mechanism for setting forth aggregate levels of spending, revenue, and public debt. The act also established standing committees in both chambers of Congress with jurisdiction over, among other things, the concurrent resolution on the budget. This report describes the structure and responsibilities of the Committee on the Budget in the House of Representatives.

House and party rules specify the composition of the committee's membership and also stipulate that most members of the House Budget Committee may not serve more than four in any six successive Congresses. Unlike most other committees, the Budget Committee does not have subcommittees. Instead, the committee sometimes establishes ad hoc task forces to study specific issues.

In addition to committee structure, this report covers the House Budget Committee's responsibilities divided into categories related to the annual budget resolution, reconciliation, budget process reform, oversight of the Congressional Budget Office, revisions and adjustments of allocations, and scorekeeping. This report will be updated as needed.

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Introduction

The Constitution gives Congress the power of the purse,¹ that is, the power to spend, collect revenue, and borrow. It does not, however, establish procedures by which Congress must consider budget-related legislation. Instead, it states that each chamber may “determine the Rules of its Proceedings.”² Over time, Congress has therefore developed various rules and practices to govern consideration of budgetary legislation.

The basic framework that is used today for congressional consideration of budget policy was established in the Congressional Budget and Impoundment Control Act of 1974 (the Budget Act).³ This act provides for the annual adoption of a concurrent resolution on the budget as a mechanism for setting forth aggregate levels of spending, revenue, the surplus or deficit, and public debt. The Budget Act also established standing committees in both chambers of Congress with jurisdiction over, among other things, the concurrent resolution on the budget.⁴ This report describes the structure and responsibilities of the Committee on the Budget in the House of Representatives.

Committee Membership and Structure

The rules of the House require that the Budget Committee’s membership be composed of five members from the Committee on Ways and Means, five members from the Committee on Appropriations, and one member from the Committee on Rules.⁵ In addition, House rules require that the committee include one member designated by the majority party leadership and one member designated by the minority party leadership.⁶ The Committee on Ways and Means exercises sole jurisdiction over revenue-raising matters, and the Appropriations Committee exercises sole jurisdiction over discretionary spending. Granting these committees guaranteed representation on the Budget Committee provides them with an avenue for continuing involvement with decisions affecting their committee’s jurisdiction. The Congressional Budget

¹ “No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.” U.S. Constitution, Article I, Section 9. “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises....” U.S. Constitution, Article I, Section 8. “The Congress shall have Power To... borrow Money on the Credit of the United States....” U.S. Constitution, Article I, Section 8.

² U.S. Constitution, Article I, Section 5.

³ Congressional Budget Act, as amended, P.L. 93-344. For a compendium of laws and rules related to the budget process, see U.S. Congress, House Committee on the Budget, *Compilation of Laws and Rules Relating to the Congressional Budget Process*, committee print, 110th Cong., 2nd sess., November 30, 2008.

⁴ As enacted, Section 101 of the Congressional Budget Act amended House Rules X and XI to establish the House Budget Committee.

⁵ House Rule X, clause 5(a)(2)(i) Under the Rule 16B of the House Democratic Caucus, when the Democratic Party is the majority, Democratic Party members will be nominated for three of the five seats reserved for Appropriations Committee members, three of the five seats reserved for Ways and Means Committee members, and at least one from the Rules Committee. When the Democratic Party is the minority, Democratic Party members will be nominated for two of the five seats reserved for Appropriations Committee members and two of the five seats reserved for Ways and Means Committee members. Rules of the Democratic Caucus, November 18, 2008. The House Republican Conference has no comparable rule.

⁶ House Rule X, clause 5(a)(2)(ii) and (iii).

Act originally provided for 23 members to serve on the Budget Committee.⁷ Over time, the number of Budget Committee members has varied, and is currently 39.⁸

Under House rules, members of the House Budget Committee may not serve more than four in any six successive Congresses.⁹ Originally, the Budget Act limited service on the Budget Committee to two in any five successive Congresses. The rotating and representational membership on the Budget Committee affords Members of the House an increased level of participation in the activities of the Budget Committee.¹⁰ The House Democratic Caucus outlines additional term limits for its members serving on the House Budget Committee. Its rules state that no Member, other than the Member designated by leadership, shall serve more than three Congresses in any period of five successive congresses.¹¹ The House Republican Conference has no comparable rule.

Both Democrats and Republicans designate the Budget Committee as a nonexclusive committee. In general, this means that besides the House rule restricting any Member from serving on more than two standing committees,¹² few restrictions apply to Budget Committee members regarding their other committee assignments.¹³

Although the Budget Act does not prohibit the creation of subcommittees, the Budget Committee has never had them.¹⁴ The committee, however, sometimes establishes ad hoc task forces to study specific issues. For example, there have been task forces on such subjects as entitlements, tax policy, economic policy, and budget reform.¹⁵

⁷ Congressional Budget Act, as enacted, Section 101.

⁸ For a list of members of the Budget Committee since its creation in 1974, refer to <http://budget.house.gov/past-members.shtml>.

⁹ House Rule X, clause 5(a)(2)(B). This rule does not count any service for less than a full session. Exceptions are made for those committee members elected to serve as the chair or ranking member of the committee.

¹⁰ One author has also stated that such limits were originally designed to address concerns that the Budget Committee could become too powerful if its members were able to serve many successive terms. Allen Schick, *The Federal Budget: Politics, Policy, Process*, Third Edition (Washington, DC: Brookings Institution Press, 2007), p. 132.

¹¹ This rule disregards any service for less than a full session. Exempt from this rule are an incumbent chair or ranking member having served on the Committee for three congresses and having served as chair or ranking member for not more than one Congress. Rule 16D. Rules of the Democratic Caucus, November 18, 2008.

¹² House Rule X, clause 5(b)(2).

¹³ House Rule X, clause 5(b)(2)(A)). Both the House Democratic Caucus and Republican Conference designate exclusive committees and generally limit service to one such panel. Democratic Members of exclusive committees cannot also serve on nonexclusive committees, but they can serve on the Budget Committee. Democrats and Republicans designate nonexclusive committees and limit Members to service on two such panels, unless the House rules contain other requirements. For more information on House Committee categories and rules, see CRS Report 98-151, *House Committees: Categories and Rules for Committee Assignments*, by Judy Schneider.

¹⁴ Congressional Budget Act, as enacted, Section 101(b). It has been stated that since the Budget Committee's goal is to create a comprehensive and consistent budget resolution, dividing the production of the resolution is not desirable. Allen Schick, *Congress and Money: Budgeting, Spending and Taxing* (The Urban Institute, 1980), p. 119.

¹⁵ 97th Congress, 98th Congress, 99th Congress, and 105th Congress respectively. U.S. Congress, House Committee on the Budget, *United States House of Representatives Legislative Calendar, Committee in the Budget*, 97th Cong. U.S. Congress, House Committee on the Budget, *United States House of Representatives Legislative Calendar, Committee in the Budget*, 98th Cong. U.S. Congress, House Committee on the Budget, *United States House of Representatives Legislative Calendar, Committee in the Budget*, 99th Cong. U.S. Congress, House Committee on the Budget, *United States House of Representatives Legislative Calendar, Committee in the Budget*, 105th Cong.

House Budget Committee Jurisdiction and Responsibilities

The jurisdiction of the House Budget Committee is derived from the Budget Act as well as House Rule X. This jurisdiction is protected under the Budget Act, which states that no bill, resolution, amendment, motion, or conference report dealing with any matter within the jurisdiction of the Budget Committee shall be considered in the House unless it is a bill or resolution that has been reported by the Budget Committee or unless it is an amendment to a bill or resolution reported by the Budget Committee.¹⁶ House Rule X, clause 1(d) states that the Budget Committee will have jurisdiction over the concurrent resolution on the budget; other matters required to be referred to it pursuant to the Budget Act; establishment, extension, and enforcement of special controls over the federal budget; and the budget process generally.

Over the years, the duties and responsibilities of the Budget Committee have been established in statute, as well as House Rules. This report discusses the Budget Committee's responsibilities under the following categories: the budget resolution, reconciliation, budget process reform, oversight of the Congressional Budget Office, revisions of allocations and adjustments, and scorekeeping.

The Budget Resolution

The Budget Committee is responsible for developing the annual budget resolution. The budget resolution is a mechanism for setting forth aggregate levels of spending, revenue, the deficit or surplus, and public debt. Its purpose is to create enforceable parameters within which Congress can consider legislation dealing with spending and revenue.¹⁷ The budget resolution also often includes other matters such as reconciliation directives or procedures necessary to carry out the Budget Act.¹⁸ The Budget Committee can use the budget resolution as a means for initiating changes in tax and spending policy, but the other House committees having jurisdiction over those issues would be responsible for any legislation that would implement those changes. So rather than drafting program- or agency-oriented legislation as most other committees do, the Budget Committee, similar to the House Rules Committee, devotes most of its time to developing the parameters within which the House may consider legislation.

In developing the budget resolution, the Budget Committee examines a budget outlook report that includes baseline budget projections presented to Congress by the Congressional Budget Office (CBO).

The Budget Committee also receives and examines the budget request submitted by the President, and then holds hearings at which they hear testimony from officials who justify and explain the President's budget recommendations. These include the Director of the Office of Management and Budget (OMB), the Chair of the Federal Reserve Board, and secretaries of each department,

¹⁶ Section 306. A standing order provides that resolutions be interpreted as applying to joint resolutions. H.Res. 5 Section 3(a)(1), 111th Congress.

¹⁷ For more information on the annual budget resolution, see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by Bill Heniff Jr.

¹⁸ The authority to include such matters comes from Sec 301(b) of the Congressional Budget Act, as amended, P.L. 93-344.

as well as other presidential advisors. In addition, CBO issues a report that analyzes the President's budget and compares it to CBO's own economic and technical assumptions.

The Budget Committee also gathers information from the other committees of the House. The Budget Committee holds hearings at which individual Members testify. In addition, Committees each submit their "views and estimates" to the Budget Committee, providing information on the preferences and legislative plans of that committee regarding budget matters within its jurisdiction. These "views and estimates" must include an estimate of the total amount of new budget authority and budget outlays for federal programs that are anticipated for all bills and resolutions within the committee's jurisdiction that will be effective during that fiscal year.¹⁹ House rules require that committees submit "views and estimates" to the Budget Committee within six weeks of the President's budget submission or at such time as the Budget Committee may request.²⁰

During deliberation on the budget resolution, it has been the policy of the Budget Committee to use as a starting point the baseline data prepared by CBO.²¹ The Budget Committee then develops and marks up the budget resolution before reporting it to the full House. In marking up the budget resolution, the Budget Committee first considers budget aggregates, functional categories, and other appropriate matter, allowing the offering of amendments.²² During mark-up, the Budget Committee allows subsequent amendments to be offered to aggregates, functional categories, or other appropriate matters, even if they have already been amended in their entirety. Following adoption of the aggregates, functional categories, and other appropriate matter, the text of the budget resolution is considered for amendment. At the completion of this, a final vote on reporting the budget resolution occurs.

Because the budget resolution is a concurrent resolution, once the House and Senate each adopt their own version of the budget resolution, they typically agree to go to conference to reconcile the differences between the two versions. Members of the Budget Committee represent the House in these inter-chamber negotiations. Upon agreement on a conference report, a joint explanatory statement is written to accompany the report. Within this joint explanatory statement are allocations required under Section 302(a) of the Budget Act that establish spending limits for each committee. The text of the budget resolution establishes congressional priorities by dividing spending among the 20 major functional categories of the federal budget.²³ These 20 functional categories do not correspond to the committee jurisdictions under which the House or Senate operate. As a result, the spending levels in the 20 functional categories must subsequently be allocated to the committees having jurisdiction over spending. These totals are referred to as 302(a) allocations and hold committees accountable for staying within the spending limits established by the budget resolution. Members of the conference committee and their staff work to determine appropriate 302(a) allocations to be included in the joint explanatory statement accompanying the conference report on the budget resolution.

¹⁹ The "views and estimates" submitted by the Ways and Means Committee must also include a specific recommendation as to the appropriate level of the public debt that should be set forth in the budget resolution. House Rule X, clause 4(f)(1).

²⁰ House Rule X, clause 4(f)(1).

²¹ Rule 9, U.S. Congress, House Committee on the Budget, *Rule of procedure of the Committee on the Budget, 2009-2010*, committee print, 111th Cong. (Washington: GPO, 2009). Available at <http://budget.house.gov/hbc-111th-rules.pdf>.

²² Unless otherwise determined by the committee. Ibid.

²³ The budget resolution for FY2010, S.Con.Res. 13, had an additional functional category for overseas deployments of the military bringing the total to 21 major functional categories.

Reconciliation

Budget resolutions sometimes include reconciliation instructions that instruct committees to develop legislation that will change current revenue or direct spending²⁴ laws to conform with policies established in the budget resolution.²⁵ The Budget Committee can choose to include this in the budget resolution that they report to the full chamber.

If the adopted budget resolution does include reconciliation instructions, committees respond by drafting legislative language to meet their specified targets. The Budget Committee is responsible for packaging “without any substantive revision” the legislative language recommended by committees into one or more reconciliation bills. If only a single committee is instructed to recommend reconciliation changes, then those changes are reported directly to the chamber without packaging by the Budget Committee.

The Budget Committee is not permitted to revise substantively the reconciliation legislation as recommended by the instructed committees, even if a committee’s recommendations do not reach the dollar levels in the reconciliation instructions included in the budget resolution. The Budget Committee, however, may sometimes collaborate with House leadership to develop alternatives that may be offered as floor amendments to the reconciliation bill.

Budget Process Reform

Since 1995, House Rules have provided that the Budget Committee shall have jurisdiction over the budget process generally.²⁶ This includes studying on a continuing basis proposals to improve or reform the budget process, including both singular and comprehensive changes to the budget process. These rule changes can be proposed as a provision in the budget resolution, or as a separate measure. When considering budget reform, the Budget Committee may create a task force (the Budget Committee does not have subcommittees, but sometimes creates ad hoc task forces to address specific issues) to research potential reform issues. The task force may hold hearings where they listen to testimony from current and past Members of Congress, as well as representatives from the Administration, to help determine the need for reform. For example, during the 105th Congress the Budget Committee created a Task Force on Budget Process, also known as the Nussle-Cardin Task Force, that examined budget reform issues. This task force held hearings and eventually released several recommendations, including making the budget resolution a joint resolution.

Although budget process reform measures or budget resolutions may include provisions that have an impact on House rules, jurisdiction over the rules of the House is under the Rules Committee. The Budget Act specifically provides that a budget resolution reported from the Budget

²⁴ Direct spending is provided for in legislation outside of appropriations acts and is typically established in permanent law that continues in effect until such time as it is revised or terminated by another law.

²⁵ For more information on the reconciliation process, see CRS Report 98-814, *Budget Reconciliation Legislation: Development and Consideration*, by Bill Heniff Jr.

²⁶ Rule X, clause 1(e)(2). This provision was added to House Rules in the 104th Congress (1995-1996). Prior to the rules changes made in the 104th Congress, the Budget Committee’s jurisdiction over the budget process was generally limited to the Budget Act and budget enforcement matters. Jurisdiction over the budget process generally was shared jointly by the House Government Operations Committee and the House Rules Committee. This rules change, in conjunction with “statements of understanding” between the committees, altered the jurisdiction of the Budget Committee.

Committee that includes any matter or procedure that would change any rule of the House would trigger a referral to the House Rules Committee.²⁷

Oversight of the Congressional Budget Office (CBO)

In addition to creating the House and Senate Budget Committees, the Budget Act also established the Congressional Budget Office.²⁸ House rules state that the Budget Committee shall be responsible for oversight of the CBO. Specifically, the rules state that the Committee shall review on a continuing basis the conduct by the CBO of its functions and duties.²⁹ This oversight can include hearings at which CBO's practices are examined. For example, during the 107th Congress the House Budget Committee held a hearing titled, "CBO Role and Performance: Enhancing Accuracy, Reliability, and Responsiveness in Budget and Economic Estimates."³⁰

The Budget Committee also plays a role in the selection of the Director of CBO. The Budget Act states that the Speaker of the House and the President pro tempore of the Senate shall appoint the Director of the CBO after receiving recommendations from the House and Senate Budget Committees.³¹

Revisions and Adjustments

Provisions in individual budget resolutions, as well as the Budget Act, grant the Budget Chair (not the entire Budget Committee) the authority to revise or adjust budget levels and other matters included in the annual budget resolution in certain circumstances. For instance, Congress frequently includes provisions referred to as "reserve funds" in the annual budget resolution, which provide the chairs of the House and Senate Budget Committees the authority to adjust committee spending allocations if certain conditions are met. Typically these conditions consist of a committee reporting legislation dealing with a particular policy or an amendment dealing with that policy being offered on the floor. Once this action has taken place, the Budget Committee Chair submits the adjustment to his respective chamber.

Reserve funds frequently require that the net budgetary impact of the specified legislation be deficit neutral. Deficit-neutral reserve funds provide that a committee may report legislation with spending in excess of its allocations, but require the excess amounts be offset by equivalent reductions elsewhere. The Budget Committee Chair may then increase the committee spending allocations by the appropriate amounts to prevent a point of order under Section 302 of the Budget Act.

²⁷ 301(c), The Congressional Budget Act, P.L. 93-344. This was added by the Balanced Budget and Emergency Deficit Control Act of 1985, also referred to as the Gramm-Rudman-Hollings Act, (Title II P.L. 99-177), to clarify that jurisdiction over the rules of the House rested solely with the Rules Committee.

²⁸ Title II, Congressional Budget Act as amended, P.L. 93-344. For more information on the Congressional Budget Office, see <http://www.cbo.gov/>.

²⁹ House Rule X, clause 4(b)(1).

³⁰ For more information on the hearing, see http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_house_hearings&docid=f:79481.wais.

³¹ Congressional Budget Act as amended, Section 201. For more information on the appointment of the Director of the CBO, see CRS Report RL31880, *Congressional Budget Office: Appointment and Tenure of the Director and Deputy Director*, by Megan Suzanne Lynch.

The Budget Committee Chair is also authorized to make adjustments to the budget resolution levels under the “fungibility rule.”³² The “fungibility rule” applies when a committee has been instructed through reconciliation directions to develop legislation that will change both revenue and direct spending laws to conform with policies established in the budget resolution. Under this rule, the Budget Committee Chair is then authorized to submit for printing in the *Congressional Record* appropriate changes in budget resolution levels, and committee spending allocations.

The Budget Act also allows for further revisions to the budget resolution. For more information on revisions and adjustments related to the budget process, see CRS Report RL33122, *Congressional Budget Resolutions: Revisions and Adjustments*, by Robert Keith.

Scorekeeping

The Budget Committee is responsible for making summary budget scorekeeping reports available to the Members of the House on at least a monthly basis.³³ Scorekeeping is the process of measuring the budgetary effects of pending and enacted legislation against the levels recommended in the budget resolution, in general to determine if proposed legislation would violate the levels set forth in the budget resolution. If a Member raises a point of order that legislation or an amendment being considered on the floor violates fiscal limits, the Parliamentarian relies on the estimates provided by the Budget Committee in the form of scorekeeping reports to advise the presiding officer regarding whether the legislative matter is out of order.³⁴ Similarly, if a member raises a point of order that legislation or an amendment violates Rule XXI, clause 10, known as the PAYGO rule, the Parliamentarian relies on estimates provided by the Budget Committee.³⁵ The Budget Committee played a similar role under certain expired budget enforcement statutes such as the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act) and the Budget Enforcement Act of 1990.

To assist the Budget Committee in scorekeeping, the Director of CBO is required to issue an up-to-date tabulation of congressional budget action to the Budget Committees on at least a monthly basis. Specifically, this report details and tabulates the progress of congressional action on bills and joint resolutions providing new budget authority or providing an increase or decrease in revenues or tax expenditures for each fiscal year covered by the budget resolution.

It has been the policy of the Budget Committee that its scorekeeping reports be prepared by the Budget Committee staff, transmitted to the Speaker in the form of a Parliamentarian’s Status Report, and printed in the *Congressional Record*.³⁶

³² Section 310(c), Congressional Budget Act, as amended, P.L. 93-344.

³³ For more information on scorekeeping, see CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*, by Bill Heniff Jr.

³⁴ Section 312(a), Congressional Budget Act, as amended, P.L. 93-344.

³⁵ Rule XXI, clause 10(a)2 states that the effect of such measure on the deficit or surplus shall be determined on the basis of estimates made by the Committee on the Budget relative to baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985.

³⁶ Rule 26, *Rules of Procedure of the Committee on the Budget*, 111th Congress, 2009-2010.

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